IN ARBITRATION	PROCEEDINGS
BEFORE HONORABLE THOMAS A	NGELO, LABOR ARBITRATOR
In re: an arbitration between	1 )
	)
STANFORD HOSPITAL & CLINICS	)
LUCILE PACKARD CHILDREN'S	)
HOSPITAL,	CERTIFIED COPY
	) OLITTI IED COPY
Complainant,	)
	)
and	) FMCS No. 070420-55892-A
	)
SEIU LOCAL 715,	)
	)
Respondent.	)
	_)
·	)
Grievance of Victor Acosta	)

TRANSCRIPT OF PROCEEDINGS

PALO ALTO, CALIFORNIA

NOVEMBER 28, 2007

REPORTED BY: JANE H. STULLER, CSR NO. 7223 (401481)

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  4
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      and
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                    Respondent.
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      Grievance of Victor Acosta
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               TRANSCRIPT OF PROCEEDING, taken at the Law
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      Offices of Foley & Lardner, 975 Page Mill Road, Palo
18
      Alto, California, commencing at 10:00 a.m., November 28,
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      2007, before Jane H. Stuller, CSR No. 7223.
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               VICTOR ACOSTA
               ANA GALLEGAS
21
               BRIAN COFFMAN
22
23
24
25
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1	PROCEEDINGS
2	00
3	(Joint Exhibit Nos. 1 through 7 were marked for
4	identification.)
5	THE ARBITRATOR: On the record. My name is
6	Thomas Angelo. I have been selected by the parties to
7	hear a dispute involving Stanford Hospital and Clinics
8	and the Lucile Packard Children's Hospital and the
9	Service Employees International Union Local 715
10	concerning the termination of Mr. Victor Acosta. This
11	is FMCS No. 070420-55892-A.
12	While off the record, I have provisionally
13	marked as potential joint exhibits:
14	Joint Exhibit 1, which is the Collective
15	Bargaining Agreement between Stanford and SEIU, in
16	effect at all times relevant to this dispute.
17	Joint Exhibit 2 is a determination letter dated
18	March 14, 2007.
19	Joint Exhibit 3 is a grievance form from SEIU
20	signed by Stewart Jesus Andrade dated March 17, 2006.
21	Joint Exhibit 4 is the letter from the Local
22	715 invoking arbitration in this matter.
23	Joint Exhibit 5 is a notice from Mr. Boone
24	advising me that I have been selected pursuant to the
25	procedures of the Federal Mediation Conciliation Service

to hear this dispute.

Joint Exhibit 6 is a letter over my signature to the parties dated July 10, 2007 indicating today would be the date for the hearing.

Joint Exhibit 7 is a step-two decision from the hospital dated April 5, 2007. It has attached -- it's a two-page decision. It has attached, apparently, the invocation from the union I previously described.

I should also note there has been some correspondence between the parties and the arbitrator regarding another matter. I'm assuming that will be discussed at our next event.

Let me also say that the parties have agreed that with respect to the dispute itself, the issues would be whether the grievant was terminated for just cause; and if not, what should the remedy be.

The parties have also agreed that should we proceed further today, the matter is properly before the arbitrator for resolution and that all time limits and requirements to the contract with respect to the processing of the grievance and invocation of arbitration have been satisfied.

And they further agree that should I issue a decision, an award in this matter, I may retain jurisdiction to resolve any disputes over the meaning or

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application of the decision and award.
I've indicated the documents I previously
described are provisionally marked as joint exhibits. I
won't admit them at this point in light of what I
understand to be a procedural matter, and I will ask if
the parties wish to address that question at this point.
MR. ARNOLD: The Employer does.
THE ARBITRATOR: Okay. Mr. Arnold, the floor
is yours.
MR. ARNOLD: Mr. Arbitrator, as you are aware
from prior conversations, there is an underlying issue
that is fundamental to the arbitration of this
grievance, a grievance challenging the termination of
the grievant, Victor Acosta for theft.
But that underlying issue has nothing to do
with the merits of the grievance itself. That issue
involves a dispute concerning the status of individuals
and entities purporting to act as the representatives of
SEIU Local 715 and of the bargaining unit employee at

Children's Hospital.

While that issue is unrelated to the merits of the particular grievance for which you were selected, it is nevertheless a threshold issue. For if the individuals and entities attempting to appear here as

the Stanford Hospital and Clinics and Lucile Packard

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representatives of SEIU Local 715 are not proper representatives to be determined under the National Labor Relations Act and Board precedent and guidance, then the employer is under no obligation to meet and deal with them or to participate in an arbitration in which they are purporting to appear.

As you know, Dan Boone, counsel here for the firm of Weinberg, Roger & Rosenfeld, sent you a letter dated November 19, 2007 and copying me, in which he purports to address the issue of representation by that firm of SEIU Local 715 in these proceedings. It is true that as Mr. Boone noted in that letter, the Weinberg firm participated in your selection as arbitrator in the above referenced matter in May of 2007.

However, that selection in which he participated took place prior to the appointment of a trustee for SEIU Local 715 which occurred on June 8, 2007. That purported trustee, Bruce Smith, in turn retained Barbara Chisholm and the firm of Altshuler Berzon, LLP, as counsel to him and to the purported SEIU Local 715.

Indeed, I advised you by letter dated June 26, 2007 that the Employer had been informed by Ms. Chisholm that she and her firm now represent SEIU Local 715.

With regard to Mr. Boone's letter, the Employer

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fails to understand his fixation on compensation.

Employer has no interest, whatsoever, in how much

Mr. Boone or his firm is to be compensated for any
services he or that firm might render in connection with
this or any other matter.

Indeed, as you know, or as you will see upon review of my letter, in my letter dated November 7, 2007 to Barbara Chisholm and copied to you, I do not request information concerning any compensation that might be received by Mr. Boone or his firm.

The Employer's, quote, "agenda," close quote, as Mr. Boone characterizes it in this letter is to determine, as is its right, whether a new valid de facto transfer of representation rights from SEIU Local 715 to SEIU-UHW has occurred through the device of a, quote, "service," close quote, or, quote, "servicing," close quote, agreement.

When the Employer was first informed of the existence of a purported service agreement, the Employer promptly rejected it by a letter to SEIU Local 715.

The Employer's interest then is in what entity has directly retained what Weinberg, Roger & Rosenfeld services, i.e., whether it was purported SEIU Local 715 or SEIU-UHW.

If it is the former, the Employer is prepared

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to proceed. If it is the latter, the Employer will not proceed in a hearing in which UHW is providing the representation.

The two local unions, SEIU Local 715 and SEIU-UHW, have had ample time to seek resolution of the validity of the purported service agreements between them since the Employer rejected that service agreement in August of 2006. That the dispute remains, and that it now threatens the disposition of this grievance with further delays is not the Employer's doing, but rather the Union's.

Since it was not notified that Ms. Chisholm and her firm were acting as counsel for SEIU Local 715, the Employer had made repeated requests of Ms. Chisholm and has also made a request to purported trustee, the only two individuals who can meaningfully provide such a representation at this point, for a written representation that the firm Weinberg, Roger & Rosenfeld is representing Local 715 directly and not pursuant to a rejected service agreement with SEIU-UHW.

Although a written representation as to the status of Weinberg, Roger & Rosenfeld should not be difficult to provide if, in fact, Weinberg, Roger & Rosenfeld is retained directly by Local -- by SEIU Local 715, the Employer has never received a response to its

request from either Ms. Chisholm or the trustee.

The Employer has filed an unfair legal practice charge based upon the refusal to so do, which charge remains pending.

Notably although Mr. Boone has, according to his letter, received a copy of my letter to Ms. Chisholm and thus knows the nature of the representation the Employer is seeking from the trustee or counsel of record, his statements both here on the record -- or off the record before we went on the record -- and in his November 19, 2007 letter, that his firm, quote, "represents SEIU Local 715 in this case," close quote, avoid answering the question since that representation can either be through direct retention by SEIU Local 715 or through the rejected service agreement as counsel to SEIU-UHW.

The question is not what the Employer's agenda is, but rather what is the agenda of the two union entities since SEIU Local 715 and its retained counsel have refused to respond to our requests.

If SEIU Local 715 desires to have Weinberg,
Roger & Rosenfeld serve as its legal representative, it
can retain that firm and so advise the Employer. If
instead, it wishes to seek enforcement of and utilize
the service agreement and avail itself of the services

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of Weinberg, Roger & Rosenfeld through that vehicle, it can follow the proper and only procedure for doing so, which is also the very procedure called for in the rejected service agreement.

When the service agreement was signed by the two local unions, they clearly envisioned the possibility that the Employer might reject the service agreement, and so set forth steps to be taken in that event, that procedure, if processed, the legal actions necessary to its enforcement which may include filing an unfair labor practice charge.

That same service agreement further provides that if the Employer challenges or refuses to accept the service agreement, which it has, SEIU Local 715 will reassume and take over all representational activities and responsibilities and will do so, quote, "through its own staff until such matter is resolved," close quote.

For reasons about which one can only speculate, the parties to the proposed service agreement, the two local unions, have never initiated legal action as required by the service agreement to enforce the service agreement against the Employer.

Nor has SEIU Local 715 reassumed its representational responsibilities and activities through its own staff. To the contrary, the purported trustee

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has attempted to affirm the already rejected service agreement and has attempted to reappoint or affirm the appointment of UHW employees as its service agents.

Those attempts were also rejected by the Employer.

The two union locals, if there even are still two entities, would no doubt much prefer to circumvent or avoid initiating the appropriate legal proceedings, the very ones which they themselves have obligated themselves to utilize in their service agreement, and instead have an arbitrator — this arbitrator make a determination ancillary to an employee's grievance, which determination, in effect, would enforce the service agreement against the Employer over its objections and despite its previous rejection of that service agreement.

However, an arbitrator simply has no jurisdiction to determine such matters of representative status or to order an employer to recognize or deal with an entity other than the exclusive representative, in this case, a board certified representative, absent the expression of a clear intention of the parties in the Collective Bargaining Agreement to provide the arbitrator such jurisdiction.

Indeed, the determination of the validity of the service agreement would quite obviously not involve

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or require an interpretation of the Collective
Bargaining Agreement, which agreement provides the
arbitrator his authority, in which agreement also
defines the limits of that authority to determining
whether a grieved action violates that agreement.

Rather, it involves a claim that the National Labor Relations Act gives the right to SEIU Local 715 to contract with another labor organization to provide representational services, and that the Employer's refusal to accept such a contract between the two labor organizations is improper under the Act.

Such a claim would require the arbitrator to consider the terms of the service agreement, an agreement to which the Employer is not a party and by which the Employer is not bound and to engage in an analysis under board law to determine whether it is valid and enforceable on its face.

It would then further require review of the two local union's action under the service agreement and an analysis, again, not of the provision of the Collective Bargaining Agreement, but rather, of a precedent developed by the board in the exercise of its exclusive jurisdiction over matters relating to representative status.

There is, of course, judicial precedent that

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holds where an arbitrator makes a determination based upon his view of the requirements of an enacted statute or a federal agency's precedent thereunder and not on an interpretation of the Collective Bargaining Agreement, the arbitrator has exceeded the scope of its submission.

There is, of course, also argument of the precedent. So the proposition that it's not the arbitrator's role, nor is it in his jurisdictional authority to interpret the law or to rule on issues of external law -- even if the Collective Bargaining Agreement did provide that an arbitrator could make determinations regarding representational status and the Employer's obligation to recognize or deal with an entity other than the union that is a party to the Collective Bargaining Agreement, which the Collective Bargaining Agreement in this case does not.

An arbitrator cannot make such a determination in proceedings where the issue of representative status is not the subject of the grievance that is before the arbitrator for a decision.

Of course, such a grievant directly seeking to enforce a service agreement to which the Employer is not a party is not only outside the scope of the Collective Bargaining Agreement, but it would squarely place the question of representation at issue, which, again, would

be beyond the arbitrator's jurisdiction.

Please be assured that the Employer is ready, willing and able to arbitrate this matter. However, the Employer does not and will not agree to submit the issue of whether Mr. Boone and his firm and/or representatives of SEIU-UHW, one of whom is present in the room today, may properly serve as representatives of SEIU Local 715 to the arbitrator for decision.

And whether the Employer is even obligated to appear and participate in this proceeding depends upon the validity of the service agreement and its application.

its counsel -- excuse me --- if the purported trustee of SEIU Local 715 or its counsel of record is unwilling to provide the written representation requested by the Employer, that Weinberg, Roger & Rosenfeld is retained directly by SEIU Local 715 as its counsel and is not appearing by virtue of its role as counsel for a purported service agent and/or if SEIU Local 715 is unwilling to provide its own staff representatives to attend the hearing, rather than utilizing SEIU-UHW employees, who would unquestionably be appearing pursuant to purported and rejected service agreement, then this matter should and must be stayed until the two

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local unions take the steps that they agreed between themselves they would take, i.e., the initiation and completion of unfair labor practice proceedings on a charge to be initiated by SEIU Local 715 or other legal proceedings to attempt to enforce the rejected service agreement.

And I'd like to offer some documentation relating to the statement I just made.

The first one will be Employer's Exhibit No. 1, and it is the letter from Mr. Boone to you dated November 19.

Employer's No. 2 is a letter dated June 18, 2007 from me to Ms. Chisholm, counsel of record for SEIU Local 715, acknowledging a conversation confirming the conversation with her in which she stated that she was now representing SEIU Local 715.

Employer's 3 is a letter from me to the arbitrator dated June 26, 2007 copying Ms. Chisholm, counsel of record to SEIU Local 715, confirming to you what she had confirmed to me.

Employer's Exhibit 4 is a cover letter from William Sokol of the firm of Weinberg, Roger & Rosenfeld sending to me a copy of the service agreement entered into between UHW and SEIU Local 715 in February of 2006.

Employer's 5 is a letter from me to Kristy

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Serbershan (phonetic) executive secretary of the SEIU Local 715 advising her that the service agreement was rejected.

Employer's 6 is a fax cover page accompanying a letter and a document suitable for framing, announcing the trustee -- the appointment of a trustee, and the fax letter was to Laurie Quintel, director employer labor relations, Stanford Hospital and Clinics and Lucile Packard Children's Hospital.

Employer's 7 is a subsequent letter from B.W. Smith, trustee, to Ms. Quintel informing -- restating who he believed the servicing agents to be and adding another service agent to the list, all of whom are employees of SEIU UHW.

Employer's 8 is a letter from Ms. Quintel back to Bruce W. Smith, trustee, advising him that that did not affect the prior rejection of the service agreement.

Employer's 9 is a letter to me from

Ms. Chisholm requesting that she provide a

representation as to the basis upon which the firm of

Weinberg Roger & Rosenfeld is appearing to represent

SEIU Local 715, and it's dated August 24th. I'm sorry.

Employer's 10 is a letter dated October 5th, 2007, again, from me to Barbara Chisholm, counsel of record for SEIU Local 715, repeating a request that --

	}
1	provide the information and attaching a copy of the
2	August 24th letter.
3	Mark that one as 13.
4	I'm going to put 12 in right now.
5	MR. BOONE: You're only up to 11.
6	MR. ARNOLD: Oh, we're only up to 11. Okay.
7	MR. BOONE: October 5
8	MR. ARNOLD: Make that one 12.
9	THE ARBITRATOR: You better check your bill
10	here if you go 9 to 12.
11	MR. ARNOLD: Well, I was going to substitute
12	this one, and I didn't and I thought I was already at
13	11.
14	THE ARBITRATOR: Okay. Employer No. 11?
15	MR. ARNOLD: 11 is dated October 11 is dated
16	October 16, and it's another letter to Ms. Chisholm,
17	again, requesting information regarding the
18	representational status.
19	MR. BOONE: Excuse me, Larry. You're not
20	putting in all the letters here. She's there's an
21	October 9 letter that's referenced here.
22	MR. ARNOLD: Yeah.
23	MR. BOONE: It's yoù're just not going to
24	put it in?
25	MR. ARNOLD: No.

1	MR. BOONE: All right.
2	MR. ARNOLD: I mean I can get it faxed down
3	here. It simply says they're not going to respond to my
4	letter.
5	MR. BOONE: I have never seen it, but
6	MR. ARNOLD: Okay. That's the
7	November 7th letter is Employer's 12.
8	I think you already have that, right?
9	MR. BOONE: I got November 7.
10	MR. ARNOLD: I've got it.
11	MR. BOONE: Here's with two
12	MR. ARNOLD: This is 10 is this one.
13	October 5.
14	10 is October 5.
15	THE ARBITRATOR: Here's an extra November 7th.
16	You're just trying to confuse me.
17 .	MR. ARNOLD: How are we doing?
18	THE ARBITRATOR: Well.
19	MR. ARNOLD: And last, but not least
20	THE ARBITRATOR: This will be 13.
21	MR. ARNOLD: 13. Employer's Exhibit 13 is a
22	letter dated November 9 from me to Bruce W. Rusty Smith,
23	the trustee, seeking from him a representation as to the
24	representational status of Weinberg, Roger & Rosenfeld.
25	And I offer these into evidence merely to

1	annext the statement that I made to you regarding this
	support the statement that I made to you regarding this
2	issue.
3	THE ARBITRATOR: And are all the exhibits into
4	evidence?
5	MR. ARNOLD: They can I mean, I have no
6	problem with the authenticity or the validity of them.
7	But to the extent that they seek to go into the merits,
8	I don't I think it's premature at this point.
9	(Employer's Exhibit Nos. 1 through 13 were
10	marked for identification.)
11	THE ARBITRATOR: I'll tell you what, I'll admit
12	the joint exhibits with the understanding that the
13	Employer does not waive its arguments with respect to
14	the propriety of this proceeding. They're merely in the
15	record now so that depending on how far we go, I've got
16	them.
17	I'm also admitting Employer 1 through 13 to the
18	extent they go to the issues raised by the hospital and
19	its statements on the procedural question.
20	(Employer's Exhibits Nos. 1 through 13 admitted
21	into evidence.)
22	THE ARBITRATOR: Okay. I'm trying to think of
23	a way I could get out of here. I can't nothing comes
24	to mind.
25	So, Mr. Boone, do you have any response to any

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of the positions taken by the hospital? Yes. First, appearing on behalf of MR. BOONE: SEIU Local 715, specifically Service Employees International Union Local 715, the law firm of Weinberg, Roger & Rosenfeld by W. Daniel Boone. Mr. Angelo, Mr. Acosta was terminated March of There was a timely grievance filed and processed by SEIU Local 715. The matter was referred to my office. Either I or others working with me in the office, agreed that you would be the arbitrator to hear and decide this matter. There was communication between you, representatives of my office and Mr. Arnold or representatives in his office agreeing today as the arbitration date; and you confirmed that by the -- your July 10, 2007 letter, Joint No. 6. Mr. Acosta had worked for Stanford Hospitals for about seven years prior to his discharge. He has suffered unemployment since that date. He is entitled to the representation by his union. He's entitled to an arbitration where it will be up to the Employer to persuade you that there was just cause for his termination. Secondly, by way of background, I sat across the table from Mr. Arnold on two separate days in his

	,
1	offices up the street, before they just moved, in an
2	arbitration before Arbitrator David Nevins. I can't
3	tell you the specific dates. I don't have them in mind
4	right now. And I stated my appearance before Arbitrator
5	Nevins in exactly the same language that I did today,
6	and we proceeded with the arbitration. And we submitted
7	the evidence, and we wrote briefs. And Arbitrator
8	Nevins issued a decision on the merits of the case.
9	This was all after the dates of I believe any of
10	these relevant documents.
11	My office has represented SEIU Local 715 since
12	sometime before I began with the firm in January of 2000
13	excuse me January of 1979. Our offices
14	represented SEIU when you and its predecessor locals, at
15	least, sometime before I began in January 1979.
16	THE ARBITRATOR: Do you want a cue card to get
17	that date?
18	MR. BOONE: Yeah. That's why I'm having a hard
19	time wrapping my mind around that one.
20	THE ARBITRATOR: That makes you really old, I
21	guess also not before me.
22	MR. ARNOLD: Is that when you first started
23	practicing?
24	MR. BOONE: No.
25	THE ARBITRATOR: That was before SEIU was

formed.

MR. BOONE: The position as -- I'll candidly acknowledge to you that I have not read Employer Exhibits 1 through 13. Fortunately or unfortunately, by the practice of our firm, I was assigned to advocate this case on behalf of the Union. Happily enough, I have not to date been involved in the disputes that are, at least, partially described in the correspondence that Mr. Arnold has given you.

Mr. Arnold, from my hearing of it, takes two directly contradictory positions. On the one hand, he says the service agreement is invalid. No. 2, you can't decide whether or not the service agreement is or is not valid, and it's none of your business. Yet he wants to litigate or have certain statements made here in aid of whatever that different dispute is.

Under -- there's nothing in the contract that prohibits me from appearing here and stating that I am here representing SEIU 715 with respect to this arbitration. And Mr. Arnold full well knows that that is our law firm's position and that's the Union's position.

And he, I guess, for some tactical reason someplace else refuses to write letters to me or to my firm, but writes to Ms. Chisholm instead knowing full

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well that although there was a period of about a week or two when Altshuler Berzon was representing, they no longer are as far as I know.

So I'm here. I'm stating the appearance on behalf of the Union. Present with me is a union representative. Whether, to use the language, I am retained directly or through a service agreement is really not part of the proceedings here.

I'm not quite sure I understand why it's of significance to Mr. Arnold to have me state one way or the other, but he seems to think it's important; and for that reason, I'm not going to do it because I'm not here to aid in whatever tactical moves are being made by Mr. Arnold in aid of some other proceedings which either have been filed or he wants the Union to file.

We're here for an arbitration under a Collective Bargaining Agreement. The statement of the appearance is here. These are all authorized representatives of the Union or an attorney from my office, and Mr. Acosta, the grievant, and there's nothing inconsistent in the contract with our appearance.

So I'm asking that you rule that you are -- the matter is before you and you're going to proceed. That completes my statement.

THE ARBITRATOR: Thank you.

MR. ARNOLD: I'd like to respond briefly.

THE ARBITRATOR: Go ahead.

MR. ARNOLD: As I stated in my statement to you, Mr. Arbitrator, we don't disagree that Mr. Acosta has a right to file a grievance, has a right to have his grievance arbitrated. That's -- we fully agree with that.

The fact is that where the Employer does have rights is, it has the right to insist that the representation is proper representation. And that as Mr. Boone stated, Mr. Acosta is being represented by SEIU Local 715. I did not introduce the documents that I introduced earlier for the purpose of attempting to litigate the dispute in this forum.

To the contrary, my view is that it cannot be litigated in this forum. It must be litigated in another forum, to wit, before the National Labor Relations Board.

If you look at, and I don't remember which Employer's exhibit it is, the service agreement, as I stated, the service agreement very specifically provides and contemplated that the Employers may reject it and very specifically provides what steps the two unions are to take if it is rejected, which is to file appropriate

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legal proceedings in the name of SEIU Local 715, including an unfair labor practice charge before the National Labor Relations Board, and for Local 715 to take over once again the representation of the employee through the use of its own staff. I don't know for what reason Mr. Boone will or will not make the statement. If it's just because I want him to and he doesn't want to, well, that's -- he can have his own reasons. But, what we cannot be forced to do in these proceedings are to proceed with representatives who are not direct representatives of SEIU Local 715. Absent a decision and order of the board upholding the validity of the service agreement, upholding its application, in fact, and ordering us to deal with the service agent SEIU UHW. I get it. I get it. MR. BOONE: I think the word is "eureka." THE ARBITRATOR: MR. BOONE: This is an attempt to say -- if I say direct, then he says, okay, it's got to be 715. 715 is in trusteeship, and they don't have any employees; therefore, they can't provide representation. Therefore, we get rid of the union and we have no union. MR. ARNOLD: I don't --

MR. BOONE: That's what it's all about.

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1	it. Thank you.
2	MR. ARNOLD: It's not under my control whether
3	SEIU Local 715 has employees or doesn't have employees.
4	MR. BOONE: That's exactly right. It's none of
5	your business as to whether I'm appearing, whether I'm
6	paid, whether I'm not paid, who in here is the Union and
7	who the Union has designated to appear. That's exactly
ģ	right. It's none of your business. We are here stating
9	that representation.
10	MR. ARNOLD: That's
11	MR. BOONE: We will fulfill the duty of our
12	representation of the Union, and that is our concern.
13	Just like you contract out management of Stanford, I
14	can't question that.
15	MR. ARNOLD: You can't question that,
16	unfortunately. Under the National Labor Relations Act,
17	we can and have the right to question representative
18	status.
19	MR. BOONE: And that's where you go.
20	MR. ARNOLD: We have the right to reject the
21	service agreement, unless the board enforces it. And we
22	have rejected it, and absent the representations and
23	MR. BOONE: Then take it up there. Take it up
24	there.
25	MR. ARNOLD: It's not us it's not a charge

1	for us to file.
2	MR. BOONE: You've already filed a charge. You
3	said you filed a charge.
4	MR. ARNOLD: That was a refusal to provide
5	information.
6	MR. BOONE: Okay. Well, we're here to do an
7	arbitration.
8	THE ARBITRATOR: Let me ask let me make
9	couple of comments and ask a question.
10	First, of course, I haven't read 90 percent of
11	the information that's been provided, so I'm I'm in a
12	more difficult strait probably than anybody else here.
13	But let me ask Mr. Arnold a question we talked
14	about the other day in our phone conversation should be
15	a part of the record, I guess.
16	Would the Hospital be willing to proceed on the
17	basis of a special appearance or under protest if I were
18	to order the hearing go forward with prejudice to its
19	future legal agreements?
20	MR. ARNOLD: No.
21	THE ARBITRATOR: Okay.
22	MR. ARNOLD: Let me just there's one other
23	thing I didn't address in Mr. Boone's statement. He
24	stated that the letter from you to to him and to me,
25	or to people in our respective offices, setting a date

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for the arbitration hearing occurred after all these other documents that have been submitted to you. That's not correct.

We have been seeking and continuing to seek information from the trustee and from counsel of record, and we've never been informed of any change in counsel of record from Altshuler Berzon. And you can look at the dates of the documents themselves. They occur and have occurred up until and including this month in attempts to obtain information from the Union or its counsel of record.

THE ARBITRATOR: All right. Let me ask a more practical question.

The grievant has been off the rolls now for eight months, something like that. At some point, I suspect no matter what this argument is all about, his case will be heard either today or at some other point in time.

From his standpoint, as Mr. Boone has represented, he's unemployed. It's important to him to get this thing heard as soon as possible. From the hospital's standpoint, it's a continuing potential liability, we're just adding to any back pay that might be warranted if -- when this case is heard if he prevails.

1	I'm not sure I understand what we gain by not
2	having the hearing today just to resolve this issue and
3	resolve the grievant's situation and go forward.
4	What is it that we are protecting in the long
5	run?
6	MR. ARNOLD: We are protecting our right to say
7	that we are not going to deal with UHW through a
8	rejected service agreement. There are appropriate
9	procedures
10	THE ARBITRATOR: Right.
11	MR. ARNOLD: for trans to transfer of
12	representation rights. There are appropriate procedures
13	to enforce the service agreement, and they've had since
14	August 29, 2006 to initiate those could have been
15	complete by now.
16	THE ARBITRATOR: I've got one of the
17	Employer's letters talked about a contract clause that
18	talks about the appropriate people for
19	MR. BOONE: 26.7.8 on page 66 of Joint Exhibit
20	No. 1.
21	THE ARBITRATOR: 26.7.
22	MR. ARNOLD: 8.
23	THE ARBITRATOR: In the copy I've got it's .8
24	says I'm having trouble as I get older reading these
25	things only because the font apparently shrinks in the
	, I

1	dark.
2	It says (reading): "Arbitration hearings
3	conducted pursuant to this Article will be
4	closed unless the parties mutually agree
5	otherwise in advance and in writing."
6	That's not the one that was cited to me
7	earlier. The one that was cited to me earlier was
8	MR. ARNOLD: No. I think it's oh, that's
9	right.
10	THE ARBITRATOR: Oh, that's right. Well, there
11	was one that talked about oh, that was your
12	paraphrasing. You're discussion
13	MR. ARNOLD: Right.
14	THE ARBITRATOR: of it later.
15	I'm sorry. Okay. That is the one.
16	If I'm looking at that clause trying to decide
17	if we've got a problem it seems to me I've got on the
18	Union side of the table people who are representing that
19	they're here on behalf of 715, the Union; and here's
20	Mr. Boone on behalf of 715, the Union.
21	And I've got a pile of documents that shows 715
22	filed the grievance, processed the grievance and booked
23	arbitration on the grievance, selected me to be the
24	arbitrator. And I don't see where I need to go back
25	behind that to question whether or not 715 is here.

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Now, maybe somebody else is here in spirit or otherwise, but if 715 is here and there's no protest to Mr. Boone appearing in their behalf, I'm not sure why I'm supposed to go behind that and make any decisions for purposes of this hearing.

What the story is down the road or the big question, I am perfectly happy not to try to decide that. I agree with you, you don't want me to. I don't want it. I'm -- I'm -- I don't know what Mr. Boone's view is, but it doesn't matter. I'm with you on that. I don't think I can decide whether that's service agreement or whatever has been going on between the parties is or is not appropriate or has been violated or whether anybody has a duty or no duty to file a UFE.

But for purposes of this hearing, based on what I know, 715 is here. That's what the contract calls for. They've got Mr. Boone as their attorney. He's made that representation, as I say, without protest. I think that on the basis of the contract, under that clause, we've got everybody here.

MR. ARNOLD: I can't disagree more. He has typically declined to state that he's here directly on behalf of SEIU Local 715. And, in fact, we strongly believe -- and further evidenced by the fact that seated next to him on his right is a SEIU-UHW representative --

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that he is, in fact, here representing 715 through the vehicle of a rejected service agreement.

For you to decide that for purposes of this proceeding, you're going to go forward and treat him as a representative of Local 715 is, in effect and in fact, deciding that that service agreement is valid and enforceable; and we think that's not for you to decide directly or indirectly.

And if they would like it decided, they can today file a charge -- could have months ago filed a charge and have chosen not to do so for whatever reason.

THE ARBITRATOR: You took me further than I ruled. I'm not saying that Mr. Boone is here on behalf of 715 UHW. I'm not saying the service agreement is valid. I'm not saying any of that.

All I'm saying is that based on what I see and what I've heard, I've got 715 in the room. I have -- and they may have -- I don't know what exactly their circumstances are, but I have a representation that we have a 715 rep here. Nobody is objecting to Mr. Boone being present.

As far as I can see for purposes of getting this thing moving, 715 is here. The contract clause is not violated. I make -- and I want to make it clear on the record, my ruling does not go in any way, shape or

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form, nor should it be cited, to go to the question of the validity of this service agreement or the overall representational status of 715 UHW.

But for purposes of this hearing, I'm not going to go behind the representations of the people of the party that they are here on behalf of 715. I don't find — that I have the authority or the need or it's even appropriate to do so.

MR. ARNOLD: We're not asking you to find. We're asking you simply to stay the proceedings until they take appropriate steps.

THE ARBITRATOR: Well, you know, there's occasions where, of course, I'll stay the procedures, where, for example, important witnesses are not around or anything else. But in this case, to stay the proceedings would mean that somebody would in effect have to file the charge, either the Employer or -- to the service agreement, something on the Union's side. I don't know what the board's processing time would be for charges these days.

But what we're doing is telling the grievant, that his case would not be heard for, I would dare say, over a year from now. That seems to me to be too much of a burden to put on the grievant's shoulder who, after all, has done nothing other than pay dues, been a member

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of the union and sought to have his rights under the contract litigated.

And now we're saying let's stay unemployed for another month or find some other job while we go to a board that takes a long time; and if it does render a decision, may wind up in court and God knows where else.

You know, some of us have had experiences -probably everybody here has had experience dealing with
the board. And to await a board decision seems to me to
be way too long.

And as far as I'm concerned, that's too much —
too much of a burden on the grievant, so it would be
unfair to stay it. And frankly, I don't see that
staying it harms anybody. It does not harm the
Employer's legal position because I think I've made it
pretty clear that I'm not ruling on the underlying legal
issue that's floating around.

I'll make it very clear that I would be willing to direct the Employer to proceed at this point over its objections so that Mr. Boone, to the extent it occurs to him to do so, cannot say that you agreed to proceed in this thing in light of your legal position. I don't see any harm to the Employer by going forward now.

I'm assuming that you -- as you said earlier, that you're ready to go if you have to, and I don't --

it's hard for me to understand, weighing the harm between proceeding now and having a stay, how the Employer is in any way harmed in this.

MR. ARNOLD: That would -- under that theory, that's always the case, and we just continue on; and we raise the objection, and the arbitrator says what's the harm, go ahead and arbitrate.

THE ARBITRATOR: Well, I don't know if that's the case in every situation. I don't know what other arbitrators would say, but we're in an equitable forum. I'm supposed to look at equity. In this case the equity of the stay doesn't follow the Employer's side at all 'cause I don't see any harm to your legal position by going forward.

There are -- I understand the technical claim you're making, that you would be forced to deal with someone you suspect is not the proper representative of -- under the certification of the contract and everything else.

But on the other hand, that is a philosophical problem. It's not, in the long run, harmed by having the hearing. In any event, if we were to have the hearing or, as I going -- we are going to have the hearing, and if the Hospital does not carry its burden, then the Hospital actually benefits by having the case

1 now because back pay would be cut off if that's the 2 appropriate recommend -- I don't know the circumstances, 3 except that there's a theft apparently. If the grievant is reinstated, made whole, your 5 liability is cut off. If we have a stay and we go 6 forward, your liability continues to run if you 7 ultimately were to lose the case, so you benefit in that 8 standpoint. 9 And from a legal standpoint, I don't see any 10 harm to your position. In terms of the legal arguments, 11 I understand your -- what I'm calling the philosophical 12 position. 13 So my view is that the appropriate parties are here and that we should proceed to the merits of this 14 15 dispute, and I'll allow the Employer a standing 16 objection to the proceeding if you wish to proceed at 17 this point. 18 MR. ARNOLD: Why don't we go off the record. 19 THE ARBITRATOR: I was going to say why don't 20 we go off the record. You guys can all confer and do 21 whatever you want to do. 22 Why don't we take 10 minutes. 23 Larry, would 10 minutes do you? 15? 24 MR. ARNOLD: Let's start with 10. 25 THE ARBITRATOR: Start with a month.

1 MR. ARNOLD: Start with 10. 2 THE ARBITRATOR: Let's take 10 minutes. 3 (Recess.) 4 THE ARBITRATOR: On the record. 5 Is the Employer prepared the give an opening 6 statement? 7 MR. ARNOLD: The Employer is not prepared to go 8 The Employer does not believe that it's 9 obligated in any way to participate in the arbitration 10 under these circumstances. 11 MR. BOONE: Well, if the Employer chooses not 12 to proceed, then it has -- we're asking that you 13 proceed, and if and when the Employer leaves, then we 14 will go ahead with the hearing and make appropriate 15 arguments and presentation of evidence as necessary. 16 This is clearly some nature of a procedural question. 17 And under the authority of Toyota of Berkeley v 18 Automobile Salesman's Union Local NO. 1095, 834, Fed 19 Second 7151 a Ninth Circuit decision of 1987, an award 20 that you issue when the Employer refuses to participate 21 in a matter that is properly noticed and the parties are 22 present is a valid award. 23 And that may or may not have to get litigated, but under that authority, it's clear to me that the --24 25 you are authorized, in fact, directed by the Collective

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Bargaining Agreement to proceed with all the provisos that you've made, and that's the request that we make of you.

THE ARBITRATOR: Well, let me ask the Employer a couple of things.

First of all, is your disinclination to proceed at this time based in any way on the unavailably of witnesses or some other problem such as that?

MR. ARNOLD: It's based upon the fact that we do not believe we have proper representatives on the other side.

THE ARBITRATOR: Okay. Well, here's -- let me tell you how I view this. Let me make sure we're all clear on what's going on. As I've already indicated, I think we have the proper representatives here based on the contract language I cited in my understanding of who is present. And I think it's appropriate to go forward, and I'm directing that we go forward at this time.

If the Employer doesn't go forward, then, as Mr. Boone indicates, if he put on -- well, frankly, if the Employer doesn't go forward, it's the Employer's burden of proof. I would have no choice at that point but to conclude the Employer did not meet its burden of proof and sustain the grievance, issue an award to that effect 'cause of -- and Mr. Boone can put on evidence or

not as he wishes.

But if the Employer is not putting on any case at all, having the burden -- I don't see that I would have any choice even if he puts on evidence in support of the grievance, whatever the grievance defense is.

And I don't want to do that, frankly. My -- my view is that this whole process was started so that the parties could get an efficient timely method of resolving disputes, getting their issues taken care of and going forward. I want to do that.

I hate ex parte hearings. I hate it more than anything else, and I try and avoid it and I urge parties who don't want to participate, to participate and go forward. And I've done everything I think I can do, and I'm willing to do more if you think it's necessary to ensure that your legal rights in any future proceeding are protected.

You're here not of your own choice. You're here at my direction. You've -- you have to proceed, and I try to make it clear that the downside for not proceeding is going to be that this grievance would be sustained. You have the employee back at work. There's probably a lot -- if you're to appeal that decision, there'll be more litigation, more time, more expense.

My understanding of the law in this matter is

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that at this point, as Mr. Boone indicates, I'm directed by the contract to proceed with this hearing in light of my ruling on the procedural matter, and I agree. I think it is more of a procedural matter than anything else and, therefore, my bailiwick.

You know, I would urge that you reconsider that position in light of these comments and participate in the proceeding since apparently you have witnesses here and you're ready to go.

MR. ARNOLD: Well, we absolutely disagree that this is just a procedural matter. It's a fundamental issue of we agreed that we would grieve and arbitrate with SEIU Local 715 as the exclusive representative. We have been advised in writing several times, as you'll see in the documents; that, in fact, they are not doing it; that UHW is doing it as service agents. We've rejected the service agreement. Unless and until the service agreement is upheld, then they're not -- it's a matter that there aren't appropriate parties present to even proceed.

And we understand -- although there are joint exhibits in there that set forth the basis for the termination. So I suppose someone is going to have to get up and say they're not true. I mean, I understand what you're saying, that you're going to rule against

us, but it's -- it will require further -
THE ARBITRATOR: Further litigation.

MR. ARNOLD: Yes, it will.

THE ARBITRATOR: Well, let me note just to make sure that we're all clear, with respect to the joint exhibits and employer exhibits that are admitted, they're admitted not because the assertions contained therein are true. I mean, I've just quickly reviewed the discharge letter. There's some claims made in there by what was obscene and -- what was not obscene -- what was seen. It will change the nature of the charge I suspect. What was seen. What the grievant may have said or not said or anything like that, I'm taking that as the letter that was issued, but not as to the truth of those matters. So I don't want anybody to think I've got some evidence in here at this point. I've got some documents.

So if the Employer is not going to present a case -- let me correct something, again, that you've suggested. The Employer doesn't have to leave. You said that when the Employer leaves, you're going to put your case on. The Employer can simply rest and remain if it so wishes.

And since the Employer does not wish to put on a case, I'll ask if the Union wishes to make an opening

1	statement on merits?
2	MR. ARNOLD: Actually, we don't intend to
3	participate, so
4	THE ARBITRATOR: You don't want to participate
5	at all?
6	MR. ARNOLD: No.
7	THE ARBITRATOR: Okay.
8	MR. ARNOLD: We do want a transcript.
9	THE REPORTER: Thank you.
10	THE ARBITRATOR: Okay. Let me Larry, before
11	you leave, let me just say we won't go off the record at
12	this point until the hearing is concluded just because
13	of the ex parte situation we're in. I don't want there
14	to be any question that we go off the record and talk
15	about secret stuff and go back on the record. So from
16	here on out; no matter what, we're on the record.
17	MR. BOONE: Okay. Let the record reflect that
18	Mr. Arnold, Ms. Kunisaki and the Employer HR director
19	Hoffman have all left the room. Present and remaining
20	are the Union participants and the grievant.
21	Mr. Angelo, given your very clear statements to
22	the Employer that if they leave, they will have
23	presented no evidènce in support of the discharge by
24	well-established principles of arbitral precedent when
25	the Collective Bargaining Agreement provides that a

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1	represented employee may be discharged for just cause,
2	and that's exactly what the Collective Bargaining
3	Agreement says at Article 20, Section 20.1 at page 4 of
4	Joint No. 1. The just cause standard applies. The
5	Employer has stipulated that that is the proper issue
6	before you. The the Employer has stipulated that the
7	grievance is properly before you for final and binding
8	award.
9	MR. ARNOLD: I have one brief question. You
10	subpoenaed a number of witnesses up until as late as
11	last evening you served subpoenaed and you expect do
12	you want them still to come?
13	MR. BOONE: I think the answer to that is no,
14	Mr. Arnold. But let me just finish this statement and
15	then we'll come out and make specific arrangements.
16	MR. ARNOLD: Okay. Well, they're either on
17	their way or getting ready to leave or whatever, but I
18	just
19	THE ARBITRATOR: Do you want to go off well,
20	do you want me to violate my prior ruling and go off the
21	record so you can have a conversation as to what you
22	want to do?
23	Let's go off the record briefly.
24	(Discussion off the record.)
25	THE ARBITRATOR: Okay. On the record.

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Mr. Boone has stepped outside for just a moment and he is now back, I assume taking care of witness issues that have been subpoenaed.

And you had indicated the Employer had agreed the issue is just cause. The grievance is properly here.

MR. BOONE: The Employer has the burden of going forward and the burden of proof to establish the allegations set forth in the determination notice by presenting direct evidence. The Employer has chosen not to present any evidence. The Employer has been informed by you that if it chooses not to participate, that you will find that it has not carried its burden of proof; that the grievance will be sustained and that you will order that Mr. Acosta be reinstated with back pay.

You, both before the break and after the break, urged the Employer not to take this action. And despite the clear statements, including the fact that you don't think the Employer's position is -- would be prejudiced by proceeding with the case, and despite the fact that the Employer offered no representation of any prejudice that would be served by it if it proceeded, counsel and representatives of the Employer have walked out of this hearing.

On behalf of the Union, I ask that you issue an

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award that recites these critical facts, specifically your reliance upon Section 26.7.8 and the findings you have made in relation to that section; and that you issue an award sustaining the grievance ordering that Mr. Acosta be reinstated to his previous position without loss of seniority, and that he be ordered made whole for all loss of pay and benefits.

Given the particular facts of the case and given what I think we can only anticipate is some legal challenge to your ruling, which may go on for a long time to Mr. Acosta's prejudice economically, as well as his family and his economic well-being, I ask that you order that there be an award of interest on the back pay and benefits; that that interest be set at the amounts — in the amount dictated by California Civil Code Section 3287, which I believe is 10 percent interest; and that that award of interest be in place and enforceable up until the time that the back pay and benefit order is satisfied.

As to all of these remedies, again, pursuant to stipulation, I ask that your award specifically state that you retain jurisdiction to resolve any disputes concerning the meaning, application or implementation of the award.

I don't believe that it's necessary for the

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Union to present evidence given the statements that you
made on the record. But I do say, for the record, that
the Union grieved this termination. It is the position
of the Union that there was not just cause for the
termination; that there was no theft. But it is not
necessary for us to put any evidence in the record given
the absence of any presentation of testimony or
documents entered for the truth of the matter stated.
So with that, on behalf of the Union, we submit
this case for your decision unless there are any other
questions that you wish to raise.
THE ARBITRATOR: I don't believe so. It may be
appropriate to have on the record now as to whether
you're aware, Mr. Boone, if grievant has had any outside
employment for the time that's elapsed since his
termination.
(Witness and counsel confer privately.)
MR. BOONE: Mr. Acosta does not have any
interim income as I understand it.
THE ARBITRATOR: Okay. Well, let me note that
I have admitted eight joint exhibits, 13 employer
exhibits.
(Joint Exhibit Nos. 1 through 7 and Employer's
Exhibits 1 through 13 admitted into evidence.)
THE ARBITRATOR: And I'm assuming, Mr. Boone,

1 that you're not going to push to make any further 2 arguments in this matter and the issue is submitted as 3 you've indicated? 4 MR. BOONE: That's correct. 5 THE ARBITRATOR: Okay. Let me just note for 6 the record that I believe that it's unfortunate the 7 Employer has not put on its case here. As I told 8 Mr. Arnold prior to his departure, I hate ex parte 9 hearings. And I understand the principles that he was 10 asserting, but, as I will note in my opinion, I don't 11 think there was any harm as a practical matter to any 12 aspect of his legal assertions. I will note that in the 13 record. 14 I thank the parties for -- well, I thank the 15 Union for its participation and the court reporter for 16 sticking around for this long and arduous proceeding and 17 declare this phase of the proceedings closed. 18 Thank you. 19 (Time: 3:10 p.m.) 20 21 22 23 24 25

CERTIFICATE OF CERTIFIED SHORTHAND REPORTER

I, JANE STULLER, hereby certify that I am a Certified Shorthand Reporter; that I reported in shorthand writing the foregoing matter at the time and place therein stated; that the foregoing pages are a full, true and complete transcript of my said shorthand notes and is a full, true and correct record of the proceedings had in said matter at said time and place.

Dated: December 13, 2007.

JANE STULLER

Certified Shorthand Reporter

California License #7223